

QUARTERLY REPORT TO THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE

ON

MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES

SESSION LAW 2001-437

October 1, 2006 through December 31, 2006

This quarterly report is submitted to the Legislative Oversight Committee in Mental Health, Developmental Disabilities and Substance Abuse Services (LOC), pursuant to the requirements of Session Law 2001-437. This report is for the months of October 1, 2006 through December 31, 2006 and provides information on major developments as the Division implements reform.

Section I: Major developments for this quarter include:

- **State Plan 2006** – The Division published State Plan 2006, an analysis of five previous State Plans, and serves as the State Plan for State Fiscal Year 2006-2007, and thereby meets the requirements of legislation passed in July 2006. State Plan 2006 provides an analysis of past efforts to transform the public mental health, developmental disabilities and substance abuse services system, clarifies the work to be accomplished in State fiscal year 2006-2007 and lays the groundwork for the upcoming three-year strategic plan to be developed for 2007-2010.

1. Communication Bulletins # 062 through # 068

- Communication Bulletin #062 announced the focus of the Provider Action Agenda Committee to enhance the relationship between the Division and providers of MH/DD/SA services.
- Communication Bulletin #063 announced the non-Medicaid Appeals Process.
- Communication Bulletin #064 announced the standardized guidelines for payment of Room and Board for Medicaid eligible children in Residential placement.
- Communication Bulletin #065 announced the acceptance of then final report submitted by the Cultural Competency Advisory Group entitled *Cultural and Linguistic Competency Action Plan*.
- Communication Bulletin #066 announced State Plan 2006: Analysis of State Plans 2001-2005.

- Communication Bulletin #067 announced an update the non-Medicaid Appeals process.
- Communication Bulletin #068 announced the Local Business Plans (LBP) for SFY 2007-2010.

In addition to the Communication Bulletin Series, the Division released several Enhanced Services Implementation Updates to assist providers and consumers with the transition process. Six (6) updates were released, covering the following topics:

- **Transportation Costs** – Clarification of payment and arrangement of transportation for specific CAP-MR/DD and mental health enhanced benefit services was shared with county departments of social services and mental health providers.
- **Targeted Case Management Enrollment** – Applications for Targeted Case Management will not be processed, and applications will no longer be accepted until the Centers for Medicare and Medicaid Services (CMS) approves the Division of Medical Assistance (DMA) State Plan Amendment (SPA). Once the SPA is approved by CMS, the Division will work with the LMEs to develop an abbreviated endorsement update checklist that will be used to re-endorse TCM providers.
- **Family Members as Paid Providers** – In an effort to address issues concerning conflict of interest and monitoring of services of families and guardians providing services to consumers, the Division developed a policy entitled “*Services and Supports Provided by Legally Responsible Individuals, Relatives and Legal Guardians.*” This policy will be incorporated into the CAP-MR/DD Waiver through a Technical Amendment. The policy is scheduled for implementation in April 2007.
- **Deadline for Child Residential Services** – Any currently enrolled child residential provider that has not submitted a completed application for endorsement to the LME by December 18, 2006 will have their conditional Medicaid enrollment ended effective December 31, 2006. LMEs will work with Community Support providers to ensure that children who are served by provider that do not submit an endorsement application in time are moved to a provider whose is enrolled in the Medicaid program.

2. Systems Development

There were no significant system developments this quarter.

3. Merger of Local Management Entities

There were no local management entity consolidations during this quarter.

4. Services and Programs

- **Service Definitions:** No significant changes in service definitions this quarter.
- **Division Training:** A MH/DD/SAS transformation video conference entitled, CAP-MR/DD Implementation Update occurred this quarter.
- **Waivers:** CMS has approved the increase in the number of individuals served through the CAP-MR/DD waiver.

5. Financing

Mental Health Trust Fund:

As of December 31, 2006, \$50,829,216 from the Mental Health Trust fund has been used to assist in mental health reform and community expansion.

6. Public Outreach to Discuss System Reform

A Transformation Update Town Hall Meeting was held in Greensboro this quarter. The Division shared information and listened to concerns about system transformation.

The Division continues to post on its website Questions and Answers regarding the New and Modified Service Definitions.

7. Rule Changes

At the October 18, 2006 meeting, the Commission for MH/DD/SAS approved the following:

- 10A NCAC 29D .0600 Proposed Repeal of Substance Abuse Assessments (DWI). The Rules Committee approved the proposed repeal of 10A NCAC 29D .0600 to be forwarded to the full Commission for approval for publication.
- 10A NCAC 29D .0400 Proposed Repeal of Therapeutic Home Rules and Update on the Proposed Service Definition for Therapeutic Foster Care Services. The Rules Committee approved the proposed repeal of 10A NCAC 29D .0400 to be forwarded to the full Commission for approval for publication.

8. Developing Community Capacity

- *The Statewide System Performance Report SFY 2006-07: Fall Report*, a semi annual report to the Joint Legislative Oversight Committee was submitted by the Division on October 1, 2006.

- *Local Management Entities Crisis Service Plans*, a report to the State and House Appropriations Committees, Fiscal research Division and Joint Legislative Oversight Committee was submitted to the Division on November 30, 2006